

INFORMATION LETTER

Not for
Publication

NATIONAL CANNERS ASSOCIATION

For Members
Only

No. 947

Washington, D. C.

August 14, 1943

WFA MAKES REDUCTION IN GOVERNMENT FOOD QUOTAS

Includes Apples, Fruit Cocktail, Beets, Lima Beans, Corn, Pumpkin and Tomato Puree

The War Food Administration announced August 11 that a further reduction will be made in the quantities of eight canned fruits and vegetables that canners are required to set aside from their 1943 production to meet government requirements.

Under an amendment to Director Food Distribution Order 22.4 to be issued soon, set-aside percentages will be reduced on the following canned products: Apples, fruit cocktail, beets, sweet corn, pumpkin or squash, lima beans, and tomato puree. Applesauce is excluded from the order.

In addition to lowering the reserve percentages, the order when amended will require canners of California freestone peaches to hold the specific reserve of 41 per cent and the contingency reserve of 6 per cent. Until now California freestone peaches were excepted from the reservation order.

Grade preference changes in the case of lima beans and sweet corn also will be included in the forthcoming amendment. Top Standard will replace Fancy as second preference for lima beans and Fancy will replace Standard as third preference for this item. Extra Standard as well as Fancy will be first preference for sweet corn and Top Standard will replace Extra Standard as second preference. There will be no third preference for sweet corn.

These reductions, which are possible in view of revised estimates on the overall government requirements for these foods, will make available to civilians approximately 6½ million more cases of these products than is provided under the present set-aside percentages.

In reserving portions of their 1943 pack for government purchase, canners set aside a quantity equivalent to a certain percentage of their actual 1942 production. Although the exact size of 1943 production cannot be determined in advance, reduction in the quantity to be purchased by the Government increases the civilian supply by that much.

Changes in government requirements will have no immediate effect on current ration point values of these canned fruits and vegetables since point values are determined primarily on the basis of actual, not prospective, supplies.

The table on page 7804 shows the old and new reservation percentages for the eight products, with the additional quantity to be available to civilians through the reduction:

(Continued on page 7804)

RENEGOTIATION LAW

Amendment Expected to Be Made When Congress Reconvenes

Hearings by the House Ways and Means Committee to consider amendments to the Renegotiation Law have been scheduled to begin September 9th, 1943. According to present reports, the House Committee plans to dispose of the Renegotiation Law before considering the new revenue bill.

It is expected that the present provision exempting all contractors whose renegotiable government contracts for the fiscal year do not exceed \$100,000, will be amended by raising the exemption to \$500,000. It is also probable that the law will be amended to make some provision for the recognition of post-war reserves. The coverage of the law may also be extended to additional government agencies.

On July 17, 1943, at page 7761, the INFORMATION LETTER contained a reprint of a letter from General Corbin of the Quartermaster Corps, indicating that an extension of time for filing financial and statistical data for renegotiation purposes will be granted to canners who would be unduly burdened if required to file this information during the active canning season. A number of canners have requested postponement of renegotiation proceedings on the form suggested in General Corbin's letter and have secured an extension of time for filing the preliminary information requested by the Price Adjustment Board.

As yet no reply has been received from the Price Adjustment Board of the War Department to the pending request that all canned foods be exempted from the Renegotiation Law.

OPA SETS CEILINGS FOR ADDITIONAL FROZEN FOODS

Minor Vegetables Covered in Third Amendment to MPR 409

By Amendment 3 to Maximum Price Regulation 409, effective August 7, the Office of Price Administration established maximum prices that processors may charge for a number of frozen fruits and vegetables in addition to those for which prices had been previously announced.

The original MPR 409 was published in the INFORMATION LETTER for June 19 (page 7726). Amendment 1 was summarized in the LETTER for July 10 (page 7753). Amendment 2 was reproduced last week (page 7794).

The original order covered asparagus, snap beans, corn, spinach, peas and strawberries. Amendment 1 added eight varieties of berries to those for which prices were established. Amendment 2 revised upward the prices established for various frozen fruits, berries and vegetables, and set ceilings for a number of other fruits and berries.

Amendment 3 establishes prices for "minor vegetables," divided into three groups. It provides for an adjustment of spinach prices at the processor's level based on an increase of 1 cent per pound for raw spinach, and establishes prices for freestone peaches in Oregon, Washington and other States. California freestone peach prices are to be announced later.

Text of Amendment 3 follows:

Maximum Price Regulation No. 409 is amended in the following respects:

1. In section 3 (b) (2) the item "Spinach0¢" is deleted.

2. In section 3 (b) (2) the following items are added to the second list, immediately following the item "Peaches, clingstone\$60.00."

Peaches, free-stone:

Oregon and Washington	\$60.00
California	to be announced

(For other peach prices see table below).

3. The following item is added to the third list in section 3 (b) (2):

Spinach..... 1¢

4. In section 3 (b) (2) the following item is added to the third list, immediately following the item "Apricots\$31.00."

Peaches, free-stone:

States other than Oregon, Washington
and California..... \$10.00

5. The sentence "Commodities for which no figure is named continue to be subject to Maximum Price Regulation No. 207," is deleted from the end of section 3 (b) (2) and is inserted as section 3 (b) (4).

6. Section 3 (b) (3) is added to read as follows:

(3) *Special provisions for adjustment for certain miscellaneous commodities.* The miscellaneous frozen fruits and vegetables covered in this subparagraph are as follows:

Group I: Rhubarb, Melons, Fordhook lima beans, Broccoli, Brussels sprouts, Cauliflower, Squash, Pumpkin, Kale, Vegetable greens (except spinach).

Group II: Lima beans (except Fordhook lima beans), Beets, Carrots.

Group III: Mixed vegetables, Mixed fruits.

(i) *Maximum prices for fruits and vegetables in Group I.* The packer's maximum price per dozen containers, or other unit, f. o. b. shipping point, shall be his maximum price for the 1942 pack for the same variety, style, grade and container size of the same item, plus 20% of the 1942 raw material cost per dozen or other unit as required to be computed by Maximum Price Regulation No. 207.

(ii) *Maximum prices for fruits and vegetables in Group II.* The packer's maximum price per dozen containers, or other unit, f. o. b. shipping point shall be computed by the packer by adjusting his maximum price per dozen, or other unit f. o. b. shipping point for the 1942 pack of the same variety, style, grade and container as follows:

Deduct the total 1942 raw material cost per dozen containers or other unit as required to be computed by Maximum Price Regulation No. 207, and

Add to the figure so obtained the total raw material cost per dozen containers or other unit determined by dividing the applicable support price of the War Food Administration for the area where the factory is located by the number of dozens of containers or other units obtained per ton of raw material as required to be computed by Maximum Price Regulation No. 207.

(iii) *Maximum prices for mixed fruits and vegetables. (Group III.)*

(a) The packer's maximum price per dozen containers, or other unit f. o. b. shipping point for sales other than to government procurement agencies, shall be his maximum price for the same item of the 1942 pack, adjusted for the difference in raw material cost, to be computed as provided herein. The difference in cost shall be separately computed for each item in the combination, as follows:

(1) For raw materials in Group I, increase the raw material cost for such vegetables required to be used in computing maximum prices for the 1942 pack, by 20%.

(2) For raw material in Group II, deduct the raw material cost for such

material required to be used in computing maximum prices for the 1942 pack and add the 1942 raw material cost for such materials, obtained by dividing the applicable support price of the War Food Administration for the area in which the packer's factory is located by the dozen container or other unit yield per ton required to be used in computing the 1942 maximum price.

(3) For raw vegetable cost of corn, peas and snap beans used in the item, deduct the raw vegetable cost for such vegetables required to be used in computing the maximum prices for the 1942 pack, and add the 1943 raw vegetable cost for such vegetables, obtained by dividing the resale price of the Commodity Credit Corporation for the area in which the packer's factory is located, by the dozen container or other unit yield per ton required to be used in computing the 1942 maximum prices.

(b) The maximum prices per dozen containers or other unit f. o. b. shipping point, for sales to government procurement agencies shall be the maximum prices as determined above under this Section, except that for any item containing corn, peas or snap beans, the packer shall add the amount of the difference between the Commodity Credit Corporation's purchase price and resale price per ton of such raw vegetable for the area where the factory is located, divided by the dozen container or other unit yield per ton required to be used in computing the 1942 maximum prices.

7. In section 2 a new sentence is added to the first undesignated paragraph following the list, to read as follows: Such reduction must be shown on the packer's invoice as an allowance to the purchaser on the selling price.

8. In section 3 (j) a new sentence is added to read as follows: Such reduction must be shown on the packer's invoice as an allowance to the purchaser on the selling price.

This amendment shall become effective August 7, 1943.

Dried Fruit Order Extended

Dried fruit packers must set aside for Government procurement their entire holdings and acquisitions of seven fruits during the 1943-44 season under a continuation of last year's program, the War Food Administration announced on August 10. The dried fruits are raisins, prunes, apples, apricots, peaches, pears, and currants.

Continuation of the set-aside provisions was effected through extension of Food Distribution Order 16 amended to include dried currants and tighten other provisions.

The term "packer" includes any person who has dried fruits processed for his account, although he may not actually be engaged in the business of

processing. Producers also are prohibited from selling these dried fruits to purchasers other than the Food Distribution Administration or a packer.

All of these dried fruits, except currants, were reserved in packers' hands last year to assure the meeting of war requirements. Civilian supplies will be provided this year, as last, through the release of quantities into regular trade channels. Last year, more than 234,000 tons of dried prunes and raisins were released for civilian consumption.

LIMITATIONS ON USE OF RUBBER CLOSURES LIFTED

Amendment to M-104 Also Changes Regulations on Certain Foods

All limitations on the use of rubber, either synthetic or natural, as a sealing medium for closures for glass containers have been eliminated from Conservation Order M-104, as amended August 10 by the War Production Board.

This action was taken because WPB has been advised by the Office of the Rubber Director that adequate synthetic rubber is now available for making closures for glass containers for food and other items.

Several changes in the order made in reference to food products allow the use of electrolytic tinplate for closures for packing of mince meat and maraschino cherries. Also under Schedule I of the order, which lists certain foods in the packing of which electrolytic tinplate may be used for closures, two other items are affected: (1) frozen fruits and vegetables may now be used without restriction in the manufacture of baby foods and soups, and (2) "mixed fruits" have been added as a classification, permitting the packing of larger pieces of fruit than ordinarily included under "fruit cocktail."

The amended order also provides that "frozen blackplate," in small quantities, will be allowed for the manufacture of crown caps for closures for beer and soft drink containers during the third quarter.

To make Order M-104 a continuing one, references to the 1943 packing quota have been removed and "Calendar Year Packing Quota" substituted.

Previous references to glass closures for canned products (M-104) appeared in the INFORMATION LETTER at pages 7415, 7596, 7612, and 7676.

Following are the items on tomato catsup and chili sauce, soups, mixed fruits and baby foods as they appear in Schedule I of the amended order:

Product	Quota	Tin-plate	Black-plate
15. Tomato catsup and chili sauce, containing not less than 10.7 per cent (specific gravity 1.045) by weight, dry tomato solids.	Unlimited	X
61. Soups—limited to the following kinds of soup which shall contain not less than the specified percentage, by weight, of dry solids from the products listed in this schedule: Asparagus, pea, spinach and tomato—7 per cent; Chicken, chicken gumbo, chicken noodle, gumbo creole, consomme and bouillon—6 per cent; Clam or fish chowder, and turtle—8 per cent; Scotch broth, vegetable, vegetable-vegetarian, pepper-pot, ox-tail, mock turtle, country style chicken, and corn chowder—10 per cent; Beef and vegetable beef—12 per cent; Bean—23 per cent, salt free; Mushroom—18½ per cent, salt free.	Unlimited	X
27a. Mixed fruits—consisting of any combination of fruits listed in this Schedule I (with or without grapes) provided the combination by drained weight shall consist of not less than 85 per cent nor more than 65 per cent Diced Peaches, and not less than 35 per cent nor more than 45 per cent Diced Pears; or a combination of not less than 50 per cent nor more than 60 per cent Diced Peaches and not less than 30 per cent nor more than 40 per cent Diced Pears with not less than 6 per cent nor more than 10 per cent Grapes. Such peaches or pears shall be peeled, pitted, or cored, and diced to a size such that no more than 20 per cent of the units will pass through a ½" standard sieve, and no more than 20 per cent of the units will have a greater edge dimension than ¼", and so as to leave not more than 1 square inch of peel per pound of product on a drained weight basis. Not more than 10 per cent of the grapes shall be cracked or crushed or have attached cap stems. No fruit may be packed under this item until the packer has packed and set aside his full quota for that fruit as established pursuant to Food Distribution Order No. 22 and orders supplementary thereto.	Unlimited	X
82. Baby foods: Consisting of food products of small particle size or in liquid or semi-liquid form made from the following ingredients: fruits (except dried apricots, dried pears, dried peaches, dried or dehydrated apples); vegetables; meats; poultry products; dairy products; sugar; salt or seasoning; yeast or yeast derivatives. Frozen fruits and vegetables may be used. Potatoes and cereals may be used only in combination with other permitted products and only provided the combined potato and cereal content does not exceed 12 per cent, by weight of the total product. Pineapple from No. 10 cans and tomato products from 3-gallon reusable cans may be used in packing baby foods. Formulas—dry or liquid	125% 1942*	X
	125% 1942*		X

* Relates to total number of closures and cans used for packing products.

August 1 Tomato Crop Prospect

Reports received by the U. S. Department of Agriculture from canners and manufacturers of tomato products on the August 1 condition of the crop and probable yield per acre indicate a production of 3,102,100 tons for 1943. This indicated production is about 2 per cent less than the 3,166,700 tons produced

in 1942 but exceeds the average annual production for the 1932-41 period of 1,813,800 tons by about 71 per cent.

The August 1 indicated yield of processing tomatoes of 5.04 tons per acre for 1943 compares with 5.27 tons obtained in 1942 and an average yield obtained during the 10-year period of 4.64 tons per acre.

State	Acreage		Production	
	Harvested 1942 Acres	Planted 1943 Acres	1942 Tons	Indicated 1943 Tons
New York	24,300	24,300	175,000	172,500
New Jersey	38,800	34,600	225,000	197,200
Pennsylvania	28,500	30,800	162,400	181,700
Ohio	33,000	30,300	217,800	151,500
Indiana	101,300	105,000	567,300	556,500
Illinois	11,000	10,700	44,000	44,900
Michigan	8,000	8,800	53,600	47,500
Iowa	5,100	5,900	23,500	27,700
Missouri	19,200	23,200	55,700	62,600
Delaware	11,800	13,500	55,500	52,600
Maryland	66,800	72,400	334,000	304,100
Virginia	32,000	36,700	124,800	132,100
Kentucky	7,200	8,700	22,300	20,900
Tennessee	10,500	14,600	21,000	27,700
Arkansas	28,100	31,000	70,200	65,100
Colorado	3,300	4,900	19,800	33,300
Utah	8,800	9,100	86,200	73,700
California	124,680	111,000	798,000	832,500
Other States	38,770	40,300	110,600	118,000
Total	601,150	615,800	3,166,700	3,102,100

New Association Members

The following firms have been admitted to membership in the Association since June 12, 1943:

Deer Harbor Packing Co., Seattle, Wash.
Dubon Canning Co., New Orleans, La.
Escalon Packing Corp., San Francisco, Calif.
Iwersen Canning Co., Point Roberts, Wash.
Laird & Co., Eatontown, N. J.
Okanogan Valley Growers, Inc., Oroville, Wash.
J. W. Parks & Sons, Seattle, Wash.
Producer-Canners' Cooperative, Inc., North Collins, N. Y.
Yaquina Bay Fish Co., Newport, Oreg.

Pea Canners Meeting Postponed

The meeting of the Pea Canning Industry Advisory Committee called by the War Food Administration for August 11 was postponed by telegrams sent to members of the committee on August 7 advising them that the meeting would not be held until later "pending developments." No definite date has yet been fixed, but it is understood that the meeting will be held about the end of the month.

Sweet Corn Crop Prospects

August 1 indicated production of sweet corn for processing in 1943 is 1,287,600 tons, compared with 1,281,300 tons for 1942 and an average production of 713,400 tons for the 1932-41 period, according to the U. S. Department of Agriculture.

The 1943 yield of 2.34 tons per acre indicated on August 1 compares with 2.64 tons obtained in 1942 and 2.21 tons per acre for the 10-year period. The

yields in prospect on August 1 were better than average in practically all the important States except the New England group (Maine, New Hampshire and Vermont), Delaware, Maryland and Pennsylvania. Dry weather continued in Delaware, Maryland, and Pennsylvania from late in June into July and curtailed prospects in these States, while in the New England group the planting season was delayed and the growing crop has not overcome this handicap.

State	Acreage		Production	
	Harvested 1942	Planted 1943	1942	Indicated 1943
	Acres	Acres	Tons	Tons
Maine.....	11,600	14,700	39,400	51,400
New Hampshire.....	520	500	2,200	1,600
Vermont.....	1,140	1,100	3,200	2,500
New York.....	24,200	27,500	62,900	66,000
Pennsylvania.....	14,700	17,400	35,300	31,300
Ohio.....	30,600	29,300	73,400	64,500
Indiana.....	55,400	57,300	105,300	108,000
Illinois.....	72,200	70,700	209,400	176,800
Michigan.....	3,800	5,400	5,700	8,100
Wisconsin.....	58,900	78,100	141,400	187,400
Minnesota.....	78,400	92,300	250,900	249,200
Iowa.....	52,500	63,200	147,000	161,700
Nebraska.....	3,700	4,200	6,300	9,200
Delaware.....	2,800	3,100	6,700	6,500
Maryland.....	47,600	52,300	109,500	73,200
Tennessee.....	3,400	2,600	9,900	6,000
Washington.....	9,000	12,000	34,200	40,800
Oregon.....	3,100	5,000	8,700	14,000
Other States.....	11,450	14,450	29,900	28,500
Total.....	485,010	550,150	1,281,300	1,287,600

Minimum Wage Hearing For Fruit and Vegetable Industry

The Wage and Hour Division of the Department of Labor has announced that a hearing will be held on August 26 at the office of the Division in New York City to consider the recommendation of an industry committee that wages at a rate of not less than 40 cents an hour be paid, under the Fair Labor Standards Act, to employees in

the fruit and vegetable packing and farm products assembling industry.

This industry is defined as the assembling and preparing for market of fresh fruits and vegetables and other farm and related products. It does not include employees in the canned fruits and vegetables and related products industry, for which a similar rate was recommended some time ago and on which the Department of Labor has not yet formally acted.

(Continued from page 7801)

Product	Previous set-aside percentages as of 1942 pack			New set-aside percentages to be established, as of 1942 pack			Additional quantity available to civilians
	Basic	Contingency	Total	Basic	Contingency	Total	
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	
Apples.....	52	8	60	42	8	50	.4
Applesauce.....	16	2	186
Fruit cocktail.....	51	7	58	30	10	40	1.0
Beets.....	33	6	39	20	6	26	.9
Lima beans.....	37	7	44	21	7	28	.4
Sweet corn.....	23	5	28	15	5	20	2.6
Pumpkin or squash.....	30	4	34	11	4	15	.2
Tomato puree.....	25	4	29	17	4	21	.4

Note.—Contingency reserves will be unchanged for these products except that for fruit cocktail, which was changed from 7 to 10 per cent.

Increase Made In Allotments To Industrial Sugar Users

A flat percentage increase in sugar allotments to all industrial users, raising allotments to 80 per cent of 1941 use, was announced August 9 by the Office of Price Administration. This is an increase from present 70 per cent levels, and is one of a number of adjustments in industrial sugar use.

Although the extra sugar will not be issued until August 15, when industrial users receive their September-October allotments from local War Price and Rationing Boards, the increase announced is retroactive to August 1.

This action and others were taken in four amendments to Rationing Order 3 effective August 14. The other amendments to the sugar order provide: (1) An adjustment in allotments to industrial users who deliver sugar-containing products in counties in which there have been substantial population changes; (2) changes in the sugar zones; (3) continuation, through September 30, 1943, of the temporary increases in allowable inventories of retailers and wholesalers.

The foregoing amendments to the sugar rationing regulations are in addition to two other changes recently announced, an increase in the provisional allowance of sugar for commercial canning of the 1943 fruit crop, and the replacement of corn sugar and corn syrup with rationed sugar.

State War Board Members

War Food Administrator Marvin Jones has invited the State commissioner of agriculture and the State supervisor of vocational agriculture in each State to become members of the State War Boards. He also named William L. Nelson, former congressman from the second district of Missouri, as assistant to the administrator in charge of State War Boards.

APPEALS COURT REVERSES BROWN IN ARMOUR CASE

Emergency Court Requires Reconsideration of Application for Special Government Price

In one of the first court decisions reversing any action of the Price Administrator, the Emergency Court of Appeals, established under the Price Control Act, on August 6, 1943, remanded for further consideration by the Administrator a protest which had been filed by Armour and Company. Although the court's decision itself was on an extremely narrow technical issue—namely, whether the Administrator had properly considered the protest according to one of his own regulations—the court's opinion is of interest to the canning industry in two respects: First, in its determination that even though a procedural regulation is revoked, an application for relief under it must still be considered because while in effect such regulation was "one of the rules of the game." Second, in the court's suggestion that a specified dollar and cents price for sales to the Government may be invalid because it is so low as to "impede production" for the war effort, even though the processor is still making a profit on his overall operations.

An understanding of precisely what the court decided requires a description of the somewhat technical procedure under which the case arose. Under OPA regulations, a seller may within sixty days file what is called a "protest." This is the only way in which the validity of the regulation as a whole may be attacked. If the Administrator denies this "protest," the seller may appeal to the Emergency Court of Appeals. If, however, the seller does not care to attack the regulation as a whole, or fails to do so within the sixty-day period, two other courses are open to him. He may ask that a particular price in the regulation be changed in its application to him alone. He can do this only if the price regulation contains a provision permitting him to do so. If his petition or application for the *adjustment* of a particular price is denied he may then file a "protest" to the order denying such application. This order may likewise be made the basis of an appeal to the Emergency Court of Appeals, but the question before the court in such case is not whether the regulation as a whole is valid, but merely whether the refusal of the Administrator to adjust the particular seller's price was arbitrary.

Where the seller does not protest the original price regulation within the sixty-day period, and is not in a posi-

tion to ask for the adjustment of a particular price in the regulation, he may still file a *petition for amendment* of the regulation. This asks that the regulation be changed in its application to all those covered by it, and not that a particular price be changed for a particular seller. If the Administrator denies the application for amendment, no court appeal is allowed.

In the *Armour* case a price regulation was issued on June 19, 1942, fixing maximum prices for beef (MPR No. 169). Somewhat later the OPA provided in a general Supplementary Regulation that:

"Any person who has entered into or proposes to enter into a contract with the United States or any agency thereof, . . . who believes that a maximum price established by any price regulation of the Office of Price Administration *impedes or threatens to impede* production of a commodity . . . which is essential to the war program and which is or will be the subject of such contract . . . may file an application for adjustment of such maximum price. . . ."

Under this it was possible for a seller of meat to make a contract with the Government for a higher price and then ask that the OPA permit him to sell at this higher price to the Government on the ground that unless he could do so, production for the war effort would be impeded. Armour and Company did not protest the validity of the original price ceiling on meat. It filed an application for an adjusted price on its sales to the Government on the ground that it was losing a substantial sum on each contract. In its application it stated that:

"Obviously no seller can continue indefinitely to furnish the large amount of carcass beef required by the Army at a substantial loss."

The Administrator denied the Company's application for an adjusted price and ordered it to refund all excess payments which it had received from the Army. In doing so, the Administrator took the position that Armour and Company could not be given permission to sell to the Army at a higher price because all other meat packers were in the same position of losing money on their sales to the Army. Since the conditions complained of were common to the industry, the application for an adjusted price for Armour was denied. In addition, since over 200 applications for adjustment under the meat ceiling prices had been filed, the Administrator revoked the provision which permitted such applications to be filed.

Shortly thereafter, Armour filed a "protest" to this order of denial. (As noted above, this type of protest does

not raise the question whether the regulation as a whole is valid, but merely whether the denial of the request for a special price was arbitrary.) This protest was denied by the Administrator on the ground that Armour had not shown that requiring it to sell to the Army at the established ceiling price "impeded or threatened to impede the production of beef for the Army." The Administrator took the position that Armour had shown merely that fulfilling three particular contracts would cause a loss, and not that on an overall basis its operations were not profitable under the meat ceiling. The Administrator remarked that "the Constitution does not guarantee a profit to every individual, and administrative rulings are not invalid merely because an individual, who was subject to a price regulation, may show that the regulation deprives him of a profit."

From this order denying its protest, Armour and Company appealed to the Emergency Court of Appeals. That court overruled the Administrator's denial and remanded the case to him for further consideration as to whether requiring Armour and Company to sell to the Government at the meat ceiling prices impeded or threatened to impede production of beef for the Army. It ordered the Administrator to consider this question even though the regulation afforded the opportunity to file an application for adjustment of an individual price had been revoked. In doing so it did not accept the Administrator's argument that giving Armour a special price would be illusory because everyone else would have to be given a special price. It pointed out that this was on the assumption that the Administrator would still fail to set ceiling prices for the livestock which was bought by Armour and the rest of the industry. As to the alleged discrimination, the court said:

"But the relief is not illusory so far as it would permit Armour to fill these particular Government contracts without taking a loss. An adjustment provision in a regulation has the force of law, *becomes one of the rules of the game*, so to speak. If an applicant makes out a case within the framework of the adjustment provision, the denial of relief by the Administrator must be deemed an arbitrary act. The Administrator is no less obligated to give the relief called for by the adjustment provision because of his discovery, through experience, that the adjustment provision is ill-advised and inappropriate and embarrasses the general administration of the regulation."

With respect to the Administrator's suggestion that Armour could not have a price adjustment on its sales to the Government because it had failed to show that its entire operations were

being conducted at a loss, the court stated that little significance could "be attached to the point that Armour may still be making a profit in the 'over-all operations' of its ramified business; this in itself, under normal circumstances, would hardly assure the continued production of an item that can only be sold at a loss."

To the Administrator's assertion that Armour was in no different position from other meat packers, the court decided that this was no answer on the narrow ground that the relief provision did not contain any such requirement. It remarked that:

"It is hardly an answer to say, as the Administrator does, that Armour failed to allege or show the existence of conditions peculiar to it which were detrimental to the supplying of war needs. The adjustment provision contains no such limiting requirement. Indeed, if the underlying grounds for seeking the adjustment are 'common to the entire industry' this would seem to make the case even stronger for a finding that the established maximum prices impede or threaten to impede the production of carcass beef, which, as we have seen, is the criterion for adjustment as provided in Supplementary Order No. 9."

It can thus be seen that this particular decision is largely limited to the determination that the Administrator must endeavor to afford relief on the basis of his own regulations and cannot go outside of them as a basis for refusing to do so. The remarks of the court concerning profit on overall operations apparently were limited merely to pointing out that this test was not part of the particular relief provision involved in the case.

Canning Crop Conditions

Condition of kraut cabbage on August 1, as reported to the U. S. Department of Agriculture, was 81.8 per cent as compared with 86.7 on the corresponding date last year.

Condition of cucumbers for pickles was 78.6 per cent as compared with 81.6 per cent a year ago; lima beans, 75.2 per cent as compared with 85.1 per cent; beets, 83.4 per cent as compared with 84.3 per cent; pimientos in California, 80 per cent as compared with 88 per cent, and in Georgia, 83 per cent compared with 82 per cent.

Correction

Canners who keep files of the INFORMATION LETTER should correct the number carried on the issue for August 7th. Through an error that issue was numbered 945. It should have been 946.

FARM LABOR OFFICES

WFA Sets Up Regional Organization to Handle Program

The War Food Administration has announced establishment by the Office of Labor of seven regions for the decentralized operation of the farm labor program. Each region will be headed by a regional director, who will report directly to Col. Philip G. Bruton, Deputy War Food Administrator in charge of labor.

Appointment of five of the regional directors also was announced. The regions, their headquarters, the directors, and the States to be served by each are:

Region 1, Upper Darby, Pa., Maurice E. Hays, acting director—Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Vermont and Rhode Island;

Region 2, Montgomery, Ala., (director not announced)—Alabama, Florida, Georgia, Kentucky, North and South Carolina, Tennessee, Virginia and West Virginia;

Region 3, Indianapolis, Ind., Kenneth Butler, director—Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, Ohio and Wisconsin;

Region 4, Dallas, Tex., (director not announced)—Arkansas, Louisiana, Mississippi, New Mexico, Oklahoma and Texas;

Region 5, Denver, Colo., Charles F. Miller, acting director—Colorado, Kansas, Montana, Nebraska, North and South Dakota, and Wyoming;

Region 6, San Francisco, Calif., William A. Anglim, director—Arizona, California, Nevada and Utah;

Region 7, Portland, Ore., R. T. Magieby, director—Oregon, Idaho and Washington.

Directors for the Montgomery (Region 2) and Dallas (Region 4) offices are to be announced in the near future. Pending opening of these two offices, the States included in Regions 2 and 4 will continue to be served by the temporary field offices which were set up on June 25 following the organization of the Office of Labor.

Under the general direction of Colonel Bruton, the regional directors will be responsible for all farm labor activities within their regions, except for those assigned to the State Agricultural Extension Services. They will supervise regional operation of the interstate and foreign farm labor transportation program, including management of farm labor supply centers operated by the Office of Labor.

Larger Snap Bean Crop Indicated

Reports received by the U. S. Department of Agriculture from processors of snap beans on the condition of the crop on August 1 and probable yield per acre indicate a 1943 production of 251,150 tons for canning or freezing. This exceeds the 234,800 tons estimated for 1942 by 7 per cent and compares with

an average of 91,000 tons for the 1932-1941 period.

Indicated yield on August 1 for 1943 was 1.53 tons per acre, compared with 1.73 tons for 1942 and an average annual yield for the 1932-41 period of 1.62 tons. A slight improvement in the 1943 yield prospects occurred during July in Oregon and Washington and also in Michigan and Wisconsin.

State	Acreage		Production	
	Harvested 1942	Planted 1943	1942	Indicated 1943
	Acres	Acres	Tons	Tons
Maine.....	2,220	3,150	6,000	7,900
New York.....	12,500	13,500	26,200	25,600
Pennsylvania.....	4,600	5,200	9,700	6,800
Indiana.....	2,000	2,400	3,000	2,600
Michigan.....	6,700	7,900	10,700	11,800
Wisconsin.....	12,100	15,700	16,900	25,100
Delaware.....	1,800	2,100	1,800	1,900
Maryland.....	13,500	14,800	20,200	19,200
Virginia.....	3,800	4,200	4,900	3,400
North Carolina.....	1,200	1,200	1,800	1,900
South Carolina.....	2,600	4,100	2,600	2,900
Georgia.....	5,000	7,000	5,000	6,300
Florida.....	15,700	24,000	20,700	28,800
Tennessee.....	3,300	3,900	4,600	5,100
Mississippi.....	3,800	3,000	3,800	1,800
Arkansas.....	14,200	15,500	18,500	14,000
Louisiana.....	4,300	5,600	4,700	5,600
Oklahoma.....	5,300	6,000	7,400	7,200
Texas.....	6,000	7,500	9,000	12,000
Colorado.....	1,500	1,700	4,000	4,200
Utah.....	1,100	800	3,600	2,700
Washington.....	2,400	3,500	9,100	16,100
Oregon.....	4,000	4,400	21,200	25,500
California.....	960	1,000	4,700	4,500
Other States.....	5,280	5,950	8,700	8,250
Total.....	135,860	164,100	234,800	251,150

WANTED AND FOR SALE Machinery—Equipment

This column is open only to members of the Association who want to buy or sell canning machinery and equipment. Names of firms listing the items below will be furnished upon application to the Association. In requesting names, please identify items by number.

WANTED

98-W—125-h.p. boiler. Must be in good condition.

99-W—250-gallon stainless steel jacketed kettle, or plain kettle with coils.

FOR SALE

269-S—Two Enterprise power choppers, models No. 41 and No. 52.

270-S—1,200 berry chests.

271-S—Boomer and Boschert juice press, complete.

272-S—Centrifugal pump with booster, 450 gallons per minute.

273-S—Kyler labeling machine No. 4005-L, adjustable for 8-oz. to No. 2½ cans, practically new.

274-S—Six Portland square cast iron retorts (36 x 36 x 36) for 15 pounds pressure, practically new.

275-S—Nine-inch R H spiral conveyor 12 feet long with right angle bevel gear drive, complete with cover.

276-S—Four steam hoists for retort, each for 20-foot diameter circle—12 feet high; one 36x8-inch steam cylinder, and three 40x10-inch steam cylinder.

SUBSTITUTE SOLDER STUDY

Research Council Reports Use Does Not Involve Health Hazard

The War Metallurgy Committee of the National Research Council in its Information Release No. 6 concludes that no health hazard is involved in the use of "substitute" solders in manufacturing food containers.

The study which gave the basis for this report was prompted by the transition from conventional solder (60 per cent lead—40 per cent tin) to the lead-silver solder (97½ per cent lead—2½ per cent silver) for food containers, which has taken place substantially during the past year in the interest of the tin conservation program. Previous studies undertaken by the industry and by other agencies have shown that the conventional solder offers no health hazard, either by reason of the

solution of lead in the canned food or the occasional presence of solder pellets.

The present study was under the direction of a sub-committee of the War Metallurgy Committee of which the Director of the Washington Laboratory of the National Canners Association was a member, and this laboratory carried out a principal part of the program. Other collaborators were from the can manufacturing industry and Yale University. Particular emphasis was put on evaporated milk because of the substantial use of solder in cans of this product.

In studying the solubility of lead from lead-silver solder in canned foods, certain representative products were selected for study. These included evaporated milk, orange juice, finely chopped green beans, and corned beef hamburger; the last named product being recognized as one in which lead solution would approach a maximum. These foods were processed at the usual temperatures, and for the usual times used in canning them, in glass jars freed from lead, each jar containing a disc punched out of commercial tinplate with the edges coated with the solder to be tested. There were three test solders, ranging from 97½ lead—2½ silver to 93 lead—2 silver—5 tin, the tin being introduced in recognition of the fact that in normal can-manufacturing operations the solder bath will take up some tin from the cans. Samples were stored at 98° F. for a period of nine months, with analyses for lead being made at three month intervals. The amount of lead in solution was expressed in terms of the average exposure to solder expected in the No. 2 can, and, in the case of evaporated milk, the floated-seam milk can (14½ oz.).

The Council on Foods of the American Medical Society has given 2 parts per million as a maximum tolerance for lead in foods. In the experimental lots, after nine months' storage at 98° F., the maximum value reported was 0.34 p.p.m. and the remaining values 0.1 p.p.m. and lower. Nowhere was the 2 p.p.m. tolerance approached.

Tests on the effect of solder pellets eaten with food were made at Yale University. Rats were fed for more than four months on a diet containing 300 p.p.m. of lead as solder pellets of lead-silver and lead-silver-tin composition. The rats showed no signs of lead intoxication and only very slight lead storage. Companion rats fed 300 p.p.m. of lead as lead acetate showed lead poisoning and had high lead storage. The conclusion was reached that "the pellets under investigation can be regarded as

not presenting a serious lead hazard when found in such products as, for example, canned baby foods."

The general conclusion was reached: "The accumulated evidence leads to the conclusion that the lead-silver substitute solder for food cans does not involve a health hazard, but is safe."

CCC OFFER IS AMENDED

Price Changes Made in Specified Areas and Products

The Commodity Credit Corporation has (1) reduced resale prices for green peas processed in California and snap beans and tomatoes processed in specified counties in Texas, and (2) increased the support and purchase price of green peas in Arkansas and Texas.

Amendment 3 to the offer (1943 CCC Vegetable Form 1) provides that—

1. The resale price specified in Table 1 for green peas processed at plants in California is reduced from \$60.50 per ton to \$55.50 per ton.

2. The resale price specified in Table I for snap beans processed at plants in the following counties of Texas is reduced from \$75.50 per ton to \$58.50 per ton: Sherman, Moore, Potter, Randall, Swisher, Hale, Lubbock, Lynn, Dawson, Martin, Midland, Upton, Crockett, Terrell, and all counties west thereof.

3. The resale price for tomatoes processed in the following counties of Texas is reduced from \$18.50 per ton to \$16.50 per ton: Sherman, Moore, Potter, Randall, Swisher, Hale, Lubbock, Lynn, Dawson, Martin, Midland, Upton, Crockett, Terrell, and all counties in Texas west thereof.

4. The resale price for tomatoes processed in the following counties of Texas is reduced from \$18.50 per ton to \$15.00 per ton: Bowie, Red River, Lamar, Fannin, Hunt, Delta, Hopkins, Franklin, Titus, Morris, Cass, Marion, Upshur, Wood, Rains, Kaufman, Van Zandt, Smith, Gregg, Harrison, Panola, Rusk, Henderson, Anderson, Cherokee, Shelby, Nacogdoches, Houston.

The CCC states that the OPA has informed the CCC that the maximum prices for the products of these vegetables manufactured in the areas specified are inadequate to cover the cost of such products, including the cost of raw materials at the resale prices specified in the original CCC offer.

Amendment 4, based upon determination by the War Food Administration that the growers' minimum support price for green peas should be \$80 per ton in Arkansas and \$77.50 per ton in Texas, provides that the support price and purchase price of green peas is increased from \$72.50 per ton to \$80 per ton in Arkansas, and from \$72.50 per ton to \$77.50 in Texas.

COMMUNITY CANNING AID

Use of Commercial Facilities for Garden Surpluses Suggested

Because the facilities of commercial establishments in some areas may be available for the canning of surplus fresh vegetables from Victory gardens, it has been suggested that canners and gardeners get together and work out a cooperative arrangement through which additional food may be conserved.

Naturally, such a plan has limitations, but in those instances where it is workable, it probably can be of significant value. Each canner will have a different situation, but it has been pointed out that the following suggestions should be observed.

1. A cannery should not attempt such a plan if the arrangements would result in a loss of effectiveness of regular operations.

2. The pack of Victory garden produce should be considered as an "extra" activity, and possibly could be handled a few days before or after regular operations.

3. The canning of a Victory garden crop is a patriotic activity, but the use of plant facilities should be regarded as a form of custom canning operations.

4. The Office of Price Administration has definite rules concerning community canning projects, and the local rationing board should be consulted regarding details.

Canners who are interested in participating in a project of this type should contact local Victory Garden Committees, Chamber of Commerce, and other local organizations who are in a position to promote and work out details.

The actual cooperative arrangements should be made in accordance with the local situation. Canners and Victory Garden Committees should meet and discuss the possibilities, and whether the situation justifies such a program.

Estimates of the amount of labor needed and type of work involved should be supplied by the plant operator to the Victory Garden Committee which should find and organize the community labor that will operate the canning plant.

Position of Broker Defined

In Amendment 14 to Maximum Price Regulation 306, issued and effective August 12, the Office of Price Administration adds a new section making clear the position of brokers. The new section follows:

1341.562b. *Position of brokers.* In accordance with existing trade custom,

every broker taking part in a sale in which the seller is a processor shall be considered as the agent of the seller and not the agent of the buyer. In each case, the amount paid by the buyer to the broker plus the amount paid by the buyer to the seller shall not exceed the seller's maximum price plus allowable transportation actually paid by the seller or by the broker.

Ceilings on Salmon Handling And Storage Charges Are Increased

Ceilings on the charges of terminal operators and wharfingers in Oregon and Washington for the terminal services of handling and storage of canned salmon were each increased one-quarter cent per case by the Office of Price Administration, effective August 10.

Technically, the operators and wharfingers in these two States are authorized to charge rates not in excess of the rates and charges set forth in the Seattle Terminal Tariff No. 2-C filed with the Washington Department of Public Service.

These rates and charges are 2½ cents per case of 48 cans of salmon for handling, loading, and unloading, and 1¼ cents per case for storage in terminal warehouses. OPA ceilings hitherto have been 2¼ cents and 1 cent respectively. If the salmon is stored in the terminal warehouse, a further small increase will be incurred.

A study of the operations of the Pacific Northwest marine terminals has indicated the need for adjustment of existing rates on salmon in order to permit the continued performance of essential terminal services by the wharfingers located in the port cities of Oregon and Washington. A 20 per cent surcharge was in effect at most of the terminals in March, 1942, on all commodities handled at the wharves with the exception of salmon. Under the General Maximum Price Regulation all charges were frozen to the March, 1942, limits, leaving salmon charges at the 1941 level of rates.

This action, affording relief to wharfingers as the 1943 salmon season gets under way, is contained in Amendment No. 17 to Revised Supplementary Regulation No. 14 to the General Maximum Price Regulation.

Minimum Wage Approval Soon

Formal approval by the Secretary of Labor of the 46 cent an hour minimum wage recommendation of a canning and allied industry wage committee is expected soon, to be effective Monday, September 5.

FROZEN FISH PRICES

Reductions in Ceilings Made on Eight Fish and Seafood Items

Decreases ranging from 1 cent to 12¼ cents per pound were made by the Office of Price Administration August 9 in the ceilings of eight different items of frozen fish and other seafood at the processor level. As there are fixed percentage mark-ups for wholesalers and retailers of these products, the reductions will be passed on to the consumer.

The sharp reductions were made to thwart attempts being made to avoid observance of ceilings for fresh fish provided in Maximum Price Regulation No. 418 (Fresh Fish and Sea Food) which became effective June 13, 1943. Fish destined for immediate consumption are being frozen in order that the higher prices allowed for the frozen article may be obtained, OPA said.

Maximum Price Regulation No. 364 (Frozen Fish and Sea Food) is under reexamination for the purpose of bringing all frozen fish ceilings in line with the fresh fish maximums allowed. Meanwhile, in Amendment No. 3 to MPR 364, effective August 12, 1943, the disproportionately high prices for some species of frozen fish which have led to widespread avoidance of the fresh fish regulation are being cut back, as follows:

1. The four different items of frozen swordfish will now have ceilings ranging from 33¼ to 48 cents per pound, compared with 45 to 50 cents previously, representing reductions of from 2 to 12¼ cents.

2. Three styles of frozen whiting will now have ceilings ranging from 8 to 15¼ cents per pound, compared with 9 to 18 cents per pound previously, representing reductions of one cent to 2¼ cents per pound.

3. The ceiling for frozen sea scallops is reduced from 45 cents per pound to 38 cents per pound, a reduction of 7 cents.

The same amendment adjusts price ceilings upward for two styles of frozen whiting, the new maximums becoming 5¼ cents and 16¼ cents compared with 4 cents and 16 cents previously, representing increases of ¼ to 1¼ cents. The amendment also establishes a maximum price of 8½ cents per pound for a new style of processing for whiting, namely, dressed and scaled.

The new ceilings will be subject to further study before final determination of ceiling levels for the revision of Maximum Price Regulation No. 364, OPA said.